

**PROCUREMENT JUSTIFICATION FORM (PJF)**

This form must accompany all contract requests and sole source requisitions (RQS) over \$5,000 submitted to the Division of Procurement Services.

INSTRUCTIONS: Please provide the requested information in the white spaces below. All responses (except signatures) must be typed; no hand-written forms will be accepted. See the guidance document posted with this form on the Division of Procurement Services intranet site (Forms page) for additional instructions.

PART I: OVERVIEW

Department Office/Division/Program:		DHSS/Office of MaineCare Services			
Department Contract Administrator or Grant Coordinator:		Lucas Sieb Shawn Belanger			
(If applicable) Department Reference #:		OMS-19-9710H			
Amount: (Contract/Amendment/Grant)		Orig. \$663,400 Amend. \$515,000 Revised \$1,178,400		Advantage CT / RQS #: CT 10A 20210226000000002350	
CONTRACT	Proposed Start Date:	Click or tap to enter a date.		Proposed End Date:	Click or tap to enter a date.
AMENDMENT	Original Start Date:	10/1/2018		Effective Date:	1/1/2022
	Previous End Date:	12/31/2021		New End Date:	6/30/2023
GRANT	Project Start Date:	Click or tap to enter a date.		Grant Start Date:	Click or tap to enter a date.
	Project End Date:	Click or tap to enter a date.		Grant End Date:	Click or tap to enter a date.
Vendor/Provider/Grantee Name, City, State:		Health Management Associates Inc Lansing, MI			
Brief Description of Goods/Services/Grant:		Reimbursement & Rate Studies for Hospitals and Behavioral Health Providers			

PART II: JUSTIFICATION FOR VENDOR SELECTION

Check the box below for the justification(s) that applies to this request. (Check all that apply.)

<input type="checkbox"/>	A. Competitive Process	<input type="checkbox"/>	G. Grant
<input checked="" type="checkbox"/>	B. Amendment	<input type="checkbox"/>	H. State Statute/Agency Directed
<input checked="" type="checkbox"/>	C. Single Source/Unique Vendor	<input type="checkbox"/>	I. Federal Agency Directed
<input type="checkbox"/>	D. Proprietary/Copyright/Patents	<input type="checkbox"/>	J. Willing and Qualified
<input type="checkbox"/>	E. Emergency	<input type="checkbox"/>	K. Client Choice
<input type="checkbox"/>	F. University Cooperative Project	<input type="checkbox"/>	L. Other Authorization

Please respond to ALL of the questions in the following sections.

PART III: SUPPLEMENTAL INFORMATION

1. Provide a more detailed description and explain the need for the goods, services or grant to supplement the response in Part I.

The Department completed its Comprehensive Rate Setting Evaluation (CRSE) in 2021. The purpose of the evaluation was to develop a multiyear plan to update MaineCare's rate setting system, moving it from the inconsistent, outdated, patchwork system currently in place to one that is modernized, streamlined, consistent, predictable, and efficient. Now that the CRSE is complete and the multiyear plan is developed, the Department needs to contract with vendors to conduct the actual Reimbursement & Rate Studies to update rates for various services.

The purpose of this amendment is to extend the end date and add funds for rate studies for Behavioral Health Services, Behavioral Health Home and Crisis Services as well as a hospital reimbursement study.

2. Provide a brief justification for the selected vendor to supplement the response in Part II. Reference the RFP number, if applicable.

Burns and Associates has conducted reimbursement & rate studies for these same hospital and behavioral health sections of policy (in 2016-17). Their recommendations from this work were never implemented by the Department; Burns will be able to leverage this previous work to produce the deliverables much more quickly and below the Department's original cost projections. Specifically, it can take new vendors considerable time to learn the details of our services and how to work with our claims data; this project will be staffed by the same Burns/HMA staff who worked on the previous projects, so they would be able to hit the ground running on day1. Further, because the providers have worked with Burns on the previous projects, the providers are familiar with Burns' process, and Burns is well-positioned to navigate the process of working with the providers.

This work needs to be done as quickly as possible. The budget enacted by the legislature this fiscal year requires new behavioral health rates to be implemented 1/1/23, earlier than the Department had initially planned, and the Department has a similar timeframe for certain hospital rates. This means that those rate studies need to be complete by September 2022 (so that if the rates require further appropriations, the Department has time to submit a budget initiative). If the Department were to wait to award this work under a PQVL, it would not be possible for the deliverables to be produced in that timeframe given their complexity and the length of time they will take.

3. Explain how the negotiated costs or rates are fair and reasonable; or how the funding was allocated to grantee.

The vendor has agreed to charge us the same hourly rate (\$210) that was charged in their previous contract with the Department (OMS-19-9710) which started 10/1/18. These hourly rate compares favorably to hourly rates from comparable vendors. The proposal is estimated at about \$300,000 less than what the Department initially estimated for these bodies of work.

4. Describe the plan for future competition for the goods or services.

The Department is currently preparing an RFP to develop a prequalified vendor list for rate studies. All future studies will be awarded through the PQVL process.

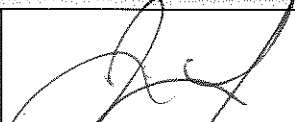
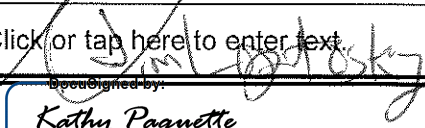
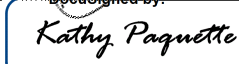
PART IV: AMERICAN RESCUE PLAN ACT (ARPA) / MAINE JOBS & RECOVERY PLAN (MJRP)

Does this request utilize ARPA/MJRP funds?

☐ Yes – If Yes, please attach the approved Business Case(s).

☒ No – If No, proceed to Part V.
PART V: APPROVALS

The signatures below indicate approval of this procurement request.

Signature of requesting Department's Commissioner (or designee):			
Typed Name:	Click or tap here to enter text.	Date:	Click or tap to enter a date. 14-Feb-22
Signature of DAFS Procurement Official:	 <small>Designated by:</small>  <small>41C2BA36FAF44CD...</small>		
Typed Name:	Click or tap here to enter text. Kathy Paquette	Date:	Click or tap to enter a date. 2/23/2022